

A LETTER

ADDRESSED TO

THE RIGHT HONOURABLE

THE EARL OF DONOUGHMORE,

PRESIDENT OF THE BOARD OF TRADE,

ON THE

Trade of British North America.

LONDON:

WILLIAM PENNY, 57, LINCOLN'S-INN FIELDS.

1859.

A LETTER,

g.c.

MY LORD,

ENGLAND has a world-wide reputation for the extent and magnificence of her Colonial possessions. "The British Empire, upon which the sun never sets," has become a household word acknowledged in all countries; but once blot out British North America, and farewell to this proud name. Yet few know, or few care to consider, that we hold British North America by a mere thread, which may be broken, and this great country severed from us for ever, without the possibility of our extending the aid of our army or navy to its preservation during six months in the year, solely for the want of proper access to the ocean.

Throughout the whole of the Colonial possessions of Great Britain, there is none so endeared to the mother-country as British North America. It is a country to which, more than any other under the British Crown, the farming population of England have emigrated. And it is not to the magnificent harbours which indent the coast of America, nor to the numerous ships which hail from her shores, nor to the immense internal navigation or railroad communication, that she is indebted for her unexampled progress and greatness: but to farmers of Kent and Sussex, Norfolk and Yorkshire, and the other great agricultural counties of England, who emigrated there, and, by their superior ability, brought into cultivation the virgin soil of that immense country. It is to those immense agricultural resources which have been developed that America is essentially indebted for her greatness. The extraordinary elasticity of the country has led to great extravagance. Hence panics have arisen which for a time paralyzed commerce, and apparently retarded her progress; but upon her magnificent internal resources she always relies for her redemption, and she has never relied in vain.

The extent of territory peculiarly adapted for the produc-

tion of wheat is about equally balanced between British North America and the United States, the former (speaking principally of Canada) with a population of three millions, the latter with a population of twenty millions. The logical conclusion is, therefore, that the land of the former country is either cultivated to a small extent, or that she must produce much more than is required for her own consumption. The land under cultivation in Canada is in proportion of one acre to fifteen of the United States, yet Canada exported, in the year 1856 (being the last return), to the United States, grain, principally flour, to the value of £2,965,938.

Now, foremost in the van of the continent of North America stands Nova Scotia, with harbours, for capacity and safety, unparalleled in the world. Next to her, New Brunswick, joining again on to Canada, separated from one another by no impassable barriers of swamps or rocky mountains, sterile plains, or even a Mason and Dixon's line, but a beautiful, undulating, fertile country, rich in all the sources of agricultural, mineral, and commercial wealths, joins them together; yet strange and unnatural as it may appear, they have scarcely a truck to indicate a passage from one to the other. Yet, to unite them to one another by a railroad, and by that means give them access to the ocean and to the mother country at all seasons, Lord Durham, Earl Grey, and every great Colonial statesman, from the time of the first introduction of railroads to the present, have laboured. Long before the rich fertility of the great valley of the Saskatchewan was known, and the auriferous soil of British Columbia discovered, our trade with China and Japan not thrown open or scarcely dreamt of, Earl Grey declared his belief, "That the construction of this railroad would effect a change in the civilized world." For the want of this means of communication, let us see the effect it has upon the trade of the colonies and the mother country. Nova Scotia has done more for the honour of the British army and navy and commercial marine than any Colony under the British empire. We will not allude to our conflicts with the United States; but Halifax educated the great circumnavigator Captain Cook. She gave birth to General Williams, the hero of Kars, and General Inglis, the hero of Lucknow. But she produced a greater man than even those renowned heroes, Samuel Cunard, a gentleman who has done more, by the superior class of his ships, the excellent selection and discipline of his officers, his regularity in performing his contracts for the postal service between the two hemispheres, to inspire

the confidence in, and to raise the character of the commercial steam marine of Great Britain than any man that ever lived.

Behind Nova Scotia stands New Brunswick, which on her back again abuts on Canada. The extensive forests of timber in New Brunswick, owing to her near proximity to England, have been a source of great wealth to her, and she has consequently paid little attention to the cultivation of the soil, and imports nearly the whole of her breadstuffs; but does she import them from Canada, her neighbouring province—a country alike to her in allegiance and birth and interest? No; but she imports the flour from the United States which had been exported from Canada, passed over the United States railways along her canals, through the United States Customs, through the hands of her merchants, to be shipped in American bottoms, to be landed at ports in New Brunswick, carried into the interior for consumption to within a few miles of the Canadian border where it was raised. The United States merchant pays Canada for her wheat in Colonial produce imported through the ports of New York and Boston, and sent over her railroads and canals to Canada; and in manufactured goods, the work of her citizens, ending in the result of an annual balance of trade against Canada of £1,181,189. On the other hand, New Brunswick pays to the United States for her flour principally in cash, the annual balance of trade between them being against New Brunswick £541,030. Nova Scotia presents the same unfavourable features, but not to so great an extent, the annual balance of trade with the United States being £264,874 against Nova Scotia. Yet Nova Scotia has a direct trade in fish and lumber with our West-India possessions, one of the oldest trades in America, by which means she could supply the whole of the Colonial produce required in Canada, New Brunswick, and Nova Scotia, had they access to one another through the port of Halifax. But as the West Indians require a large quantity of flour, and which is supplied to a great extent from Canada through the parts of New York and Boston, and carried in American ships to our own colonies, return laden with sugar, and tea, and molasses, and other produce, to be landed in New York or Boston, and in like manner carried over the railroads and canals, and through the Customs and hands of the merchants of the United States, for consumption in Canada, whilst our own ships from the ports of New Brunswick and Nova Scotia have to return in ballast, because they have no access

to the interior of British North America. One thing is demonstrated—that in our internal improvements in navigation and railroads of British North America, we began at the wrong end; we began at the end, and are retracing our steps by a backward course to the place we ought to have commenced at. But this course of proceeding has been frightfully injurious to the interests of British North America, and to the mother country, as we will presently show. It diverted the course of trade from its legitimate and natural channel, through the great valley of the St. Lawrence, and carried it over the canals and railroads of the United States, and thus our great public works in Canada, some of which have received Imperial aid, have tended only to raise up and enrich the cities of New York and Boston at the expense and neglect of the seaports in our own territory in Nova Scotia, nearer to us by 600 miles than New York, and 400 miles than Boston, and superior in capacity and safety to either of them. The tonnage of goods and vessels annually, through the Welland Canal, in Canada West, exceeds by a million that passing through the St. Lawrence canals on the borders of Canada East. The receipts of the Great Western Railway of Canada West, running from Niagara Bridge to the foot of Lake Huron, exceed those of the Grand Trunk Railway, in Canada East, mile per mile, 150 per cent., simply because they are tapped by the Erie Canal and United States railways, because we have no access to the ocean for six months of the year. Experience in all ages has proved that a depôt for trade which is closed for six months, as Montreal and Quebec are, cannot compete with ports like Boston and New York, which are always open. No amount of outlay, by improving the gulf navigation, can ever establish the depôt of trade at Montreal or Quebec against such odds; but once open out the channel of trade to Halifax, and she can compete against the world. Our present anomalous position has a most injurious effect upon the trade of the mother country.

The import trade from the United States to Canada exceeds that from the mother country by £1,222,894; and, as before stated, results in a balance against Canada of £1,181,189 annually.

Among the imports from the United States to Canada, forming a total of £5,676,127 annually, are found the following goods paying duties:—

Colonial produce, tea forming half a million sterling	£1,394,905
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Manufactured goods, the principal items of which are,—iron and hardware, cotton and woollen manufactures	1,589,311
Other manufactures	155,152
And of free goods admitted under the Reciprocity Treaty, of which some of the principal items are — books, coal, settlers' goods, &c. &c.	2,483,397

The imports from the United States to New Brunswick exceed that from the mother country by £176,014, and, as before stated, result in a balance against New Brunswick of £541,030 annually.

Among the imports from the United States to New Brunswick, forming a total of £714,515 annually, we find the following goods:—

Manufactured goods, the principal items of which are — cottons, woollens, hardware, Leather manufactures, and books	£137,650
Grain, principally flour	302,668
Sugar, tea, &c. &c.	83,769

Whilst, on the other hand, Great Britain imports from New Brunswick annually to the value of	£747,790
And exports to there	538,501

Leaving a balance of trade against Gt. Britain of £209,289 annually.

The imports from the United States to Nova Scotia exceed that from the mother country by £133,166, and, as before stated, leave a balance against Nova Scotia of £264,874 annually, but having a direct trade with Great Britain and the West Indies, she does not exhibit the same unfavourable result in manufactured goods and Colonial produce as Canada and New Brunswick do, her principal item of import from the United States being breadstuffs to the enormous amount of £370,028.

The result of this inquiry proves one thing—that had Canada proper access to New Brunswick and Nova Scotia, she would supply them with breadstuffs to the value of £674,696 annually, direct over the inter-colonial railroad, for which the latter provinces now pay in gold to the United States, and as a matter of course at a greatly enhanced price by the circuitous route it is now transported. Further, it proves one of two things—equally important to

the trade of Great Britain,—either that the United States supply Canada with manufactured goods by unnatural channels of trade opened with her, at a greatly enhanced price to what Great Britain could furnish them herself, or that for the want of a proper access through our own territory to Canada, we are compelled to accept the intervention of the United States as merchants and carriers in our trade between ourselves and our own provinces of British North America,—both points equally wounding to our national pride, for we have yet to learn that we cannot successfully compete with any merchants, carriers, or manufacturers in any country. But as matters now stand it is a national disgrace to Great Britain that the United States should import in her own ships to her own ports, and over her own railways or canals, all the Colonial produce consumed in Canada, and for which the United States take in exchange gold and flour, the latter of which she again conveys over her railways or canals to her own seaports, puts on board her own ships, and returns them again in great quantities to our own Colonies, receiving payment principally in gold; and if, in the case of manufactured goods, she does not produce them herself, she imports them from our own country in her ships to her ports, and send them over her railways, &c., as before mentioned. Thus her railways, canals, ships, manufacturers, and merchants are enriched at our expense, through our neglect in opening up an independent means of communication through our own territory.

The effect of this proper want of communication with the mother country is shown in the fact that whilst the British North American provinces, with a population of three millions, import from the United Kingdom to the value of £5,664,811 annually, the Australian Colonies, with a population of only 862,433, import from the United Kingdom £13,245,735, and from British Colonies a further amount of £7,276,118 annually. England's Colonies, peopled by her own race, are her best customers; for we see Australia takes £15 10s. per head to her population; even British North America, without a road to her for six months of the year, except through a foreign country, takes about 40s. per head to her population; whilst the United States, with a population of more than twenty millions, takes only £21,918,105, or 20s. per head to her population. And without wishing to disparage the credit of that great republic, we cannot overlook the fact that a large portion of those exports to the United States are paid for in railway and state bonds,

upon a great many of which we can neither obtain principal or interest; and also that there are periodical crises in that country by which they wipe off millions of indebtedness to this country by a mere stroke of the pen.

Another fact, equally important and well worthy of attention, is that the vast dependency of Great Britain, British India, with a population of nearly 200,000,000, takes less of the produce of the United Kingdom than Australia, and only double that of British North America; yet she is draining this country of millions of gold annually for her preservation. The value of a thing is what it will bring, and not what it will take away.

I will not attempt to discuss the political importance of British North America simply on political grounds, or the moral effect of holding it has upon other nations, or as in the case of British India, governing for the sake of governing, without commensurate commercial advantage; but I advocate the retention and consolidation of British North America because it enables us to protect our commerce where it essentially requires protection; and that so long as we hold Nova Scotia in the Atlantic, and Vancouver's Island in the Pacific, we shall always be able to afford that protection. No portion of the globe affords such a favourable opportunity of emigration for our surplus population, and to no other country can we look forward in with such hope of extending the trade of the mother country. Lord Durham described its capabilities in more appropriate language than I could attempt to do. He said,—“No portion of the American continent possesses greater natural resources for the maintenance of large and flourishing communities. An almost boundless range of the richest soil still remains unsettled, and may be rendered available for the purposes of agriculture. The wealth of inexhaustible forests of the best timber in America, and of extensive regions of most valuable minerals, has as yet been scarcely touched. Along the whole line of seacoast around each island, and in every river, are to be found the greatest and richest fisheries in the world. The best fuel and most abundant water-power are available for the coarse manufactures, for which an easy and certain market will be found. Trade with other continents is favoured by the possession of a large number of safe and spacious harbours. Long, deep, and numerous rivers, and vast inland seas, supply the means of easy intercourse, and the structure of the country generally affords the utmost facility for every species of communication by land. Unbounded materials of agri-

cultural, commercial, and manufacturing industry are there. It depends upon the present decision of the Imperial Legislature to determine for whose benefit they are to be rendered available. The country which has founded and maintained those Colonies at a vast expense of blood and treasure, may justly expect its compensation in turning their unappropriated resources to the account of its own redundant population. They are the rightful patrimony of the English people—the ample appanage which God and Nature have set aside in the New World for those whose lot has assigned them but insufficient portions in the old.”

In conclusion, my Lord, I appeal on behalf of the people of British North America to the English Government for fair play: we have expended upwards of thirty millions sterling in improving the channels of communication through the valley of the St. Lawrence, but which the English Government have rendered unprofitable by fostering the course of trade through the United States, by giving subsidies to English steamers to Boston and New York of £300,000 annually; we are not competing against the railroads and canals of the United States, but against the subsidies of the Imperial Treasury. We ask for a fair field and no favour: you give us no subsidy; we pay for our own ocean mail service; you have told us repeatedly that the railroad from Halifax to Quebec, which would give us access to the ocean at all seasons, is a work as much of Imperial as Colonial importance, but you have not yet made any portion of it. *We have made 170 miles.* Do your share, and we will do ours to complete it, and when finished require, in common justice to us that the steamships you subsidize to the United States shall just call in at Halifax on their way (they all pass close by it), and we will soon show the people of the United States who will command the great carrying trade of America.

I am, my Lord,

Your most obedient, faithful servant,

JOSEPH NELSON.

GRESHAM HOUSE, LONDON,
March 7, 1859.

